(b) if so, the details thereof;

(c) how the cost of production of LPG in India compare with other countries producing LPG; and

(d) whether any research has been done or other steps taken to bring down the cost of production of LPG?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) The Government subsidy on domestic LPG during 2004-05 has been Rs. 22.58/cylinder. In addition, the oil PSUs are bearing the burden of subsidizing this product. During April-December' 04, oil PSUs had estimated under-recoveries of around Rs. 129.18/Cylinder on domestic LPG.

(c) and (d) Oil refining is a continuous process and the cost of refining individual petroleum products is not worked out separately because all products are produced together. The steps taken by public sector refineries to control the production cost of petroleum products, including LPG, include technical audit for control of chemicals and catalysts consumption, thrust on energy consumption and reduction in hydrocarbon losses, adherence to preventive and predictive maintenance schedules to achieve the optimum maintenance costs, control of overhead expenditure etc.

A comparison of the prices of 14.2 kg. LPG cylinder in India with those of neighbouring countries is given in the Statement.

Statement

The prices of LPG cylinder (in Indian Rupees per 14.2 kg) prevailing in India and neighbouring countries

	India (New Delhi)	Pakistan (Karachi)	Bangladesh (Dhaka)	Sri Lanka (Colombo)	Nepal (Kathmandu)
			Price as on		
	1/12/04	16/12/04	2/12/04	16/12/04	6/12/04
LPG (INR/14.2 KG)	281.60	424.83	376.42	368.94	457.57

Exchange rate as per Reuters.

Demand and Supply of Gas Connections

107. PROF. M.M. AGARWAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of steps Government propose to take to ensure smooth supply of LPG with correct weight in the country; and

(b) the extent of demand and the supply of gas connections in the country during the last three years, State-wise?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Public Sector Oil Marketing Companies (OMCs) have the requisite infrastructure to make adequate supply of Liquefied Petroleum Gas (LPG) to their registered customers throughout the country. Further, the following measures are being taken to prevent the supply of under-weight cylinders to customers:

(i) LPG (Regulation of Supply and Distribution) Order, 2000 under the Essential Commodities Act, 1955 has been promulgated. As per this Order, supply of partially used cylinders to LPG consumers by the distributors of OMCs as well as Parallel Marketeers has been prohibited. Such offence is punishable with imprisonment from 3 months to 7 years under the Essential Commodities Act.

(ii) State Governments are empowered to take action against erring distributors under the provisions of the above Order.

(iii) Marketing Discipline Guidelines (MDG) for LPG distributors of OMCs have been laid down by the Government in April, 2001. According to these guidelines, in case of establishment of any complaint of supply of partially used cylinders to customers, a fine of Rs. 20,000 plus the price of LPG pilfered/supplied short at commercial rate for 1st offence, Rs. 50,000 plus the price of LPG pilfered/supplied short at commercial rate for 2nd offence, and termination for 3rd offence by the distributor is imposed.

(iv) LPG distributors of OMCs are under strict instructions to supply the cylinders of right quantity and quality of their customers. The officials of OMCs carry out random checks at distributor's godown, delivery point as well as enroute to ensure that no pilferage takes place. On the establishment of any complaint of supply of partially used cylinder to customers, action against the erring distributor is taken in terms of MDG/ or distributorship Agreement.

(v) OMCs have introduced heat shrinkable preformed Polyvinyl

Chloride (PVC) seals as a tamper evident sealing system for LPG cylinders with a view to supply correct weight gas to the consumers. PVC seals are difficult to duplicate, shrink at high temperature and require special technical expertise to manufacture.

(b) LPG connections are available on demand throughout the country. The details of LPG connections released by OMCs during the last three years is given in the Statement.

Statement

Details of LPG Connections released by OMCs during the last three years

(Figure in Lakhs)

STATE	2001-02	2002-03	2003-04
ANDHRA PRADESH	10.31	9.29	11.59
ARUNACHAL PRADESH	0.07	0.07	0.06
ASSAM	1.16	1.24	0.93
BIHAR	1.96	1.99	2.22
CHHATTISGARH	0.71	0.77	1.10
DELHI	1.11	1.47	1.61
GOA	0.16	0.20	0.20
GUJARAT	2.21	2.65	3.33
HARYANA	2.20	2.34	2.42
HIMACHAL PRADESH	0.55	0.70	0.81
JAMMU & KASHMIR	1.14	1.14	1.17
JHARKHAND	0.57	0.74	0.93
KARNATAKA	3.84	4.05	5.37
KERALA	2.59	3.41	4.99
MADHYA PRADESH	2.25	2.58	3.32
MAHARASHTRA	7.81	9.40	10.42
MANIPUR	0.14	0.14	0.10
MEGHALAYA	0.06	0.07	0.05
MIZORAM	0.08	0.08	0.07
NAGALAND	0.12	0.12	0.08
ORISSA	0.91	1.38	1.26
PUNJAB	3.82	3.76	3.92
RAJASTHAN	2.35	2.80	3.61
SIKKIM	0.07	0.13	0.10
TAMIL NADU	5.56	4.83	5.81
TRIPURA	0.15	0.18	0.13
UTTAR PRADESH	5.74	7.05	7.29
UTTARANCHAL	0.57	1.12	1.05
WEST BENGAL	2.31	3.06	3.76
TOTAL :	60.52	66.77	77.69